Oklahoma CURRENT FARM ECONOMICS

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ON THE COVER: Ray V. Billingsley, left, and E. A. Tucker, instructor and assistant economist, respectively, in farm management in Department of Agricultural Economics. Billingsley is author of the Sheep, Lambs, and Wool report, page 81, and Tucker is author of the Poultry report, page 78. (Another in a series of pictures of Agricultural Economics and Extension Division staff members whose reports appear in **Current Farm Economics.**)

Summary

General Situation.—Oklahoma farm product prices reached a new high in May. The index of purchasing power of farm commodities held steady at 124—the most favorable ratio since October, 1946. Continued strong demand should keep farm prices up, but net incomes may be somewhat lower.

Cotton.—The outlook for cotton production and prices remains favorable, but continued rains and insect damage could dim production prospect. Price relationships are such that it will pay to control insects. Labor supplies now appear to be slightly more plentiful than earlier anticipated, but cotton growers in some areas should seriously consider the purchase of a cotton stripper.

Wheat.—Total U. S. production may be over one billion bushels which should be more than ample for usual domestic consumption and export.

Feed.—Demand for feed remains strong, but supplies appear to be ample to meet demands at present prices.

Beef cattle.—The outlook is favorable for a continued increase in beef production, but unsettled conditions in the market may significantly affect the outlook.

Hogs.—Hog prices should increase as seasonal marketings fall off. Relatively high beef prices help to strengthen pork prices. An increase in the fall pig crop is anticipated, but the increase may be smaller than the fall of 1950.

Sheep, Lambs and Wool.—The demand for breeding stock is likely to result in smaller-than-usual supplies of sheep and lambs for slaughter. Returns from the sheep enterprise are likely to remain good, but may be less favorable than in the past few years because of increasing costs.

Dairy.—Continued strong demand should keep dairy product prices at high levels; however, increasing costs may more than offset increased prices.

Poultry.—Red meat prices have caused more people to turn to poultry meat and eggs as a substitute and, in spite of the anticipated increase in numbers of broilers and layers, prices are expected to remain at about present levels with seasonal increases in late fall and early winter.

Farm Real Estate.—Inflationary forces in the economy resulted in a 14 percent increase in U. S. land prices—9 percent above the peak reached in November, 1948. The proportion of sales financed by borrowing is appreciably higher than for years prior to 1948.

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General

PRICES

The average of prices received by farmers in the United States declined slightly in May for the third consecutive month. The decline brought the average to a level three percent below the February peak. Index of prices received by Oklahoma farmers in May reached a new all-time high of 352 percent of the 1910-14 average. This compares with 334 for January, 346 for February, 351 for March, and 350 for April. In May last year, the index of prices received was 263. Prices were appreciably higher than they were a year ago for all Oklahoma farm products, except white and sweet potatoes. A large number, however, was seasonally lower than in April of this year. The reductions from April were wheat, 5 cents a bushel; barley, 1 cent a bushel; rye, 5 cents a bushel; cottonseed, $1.00 a ton; sweet potatoes, 5 cents a bushel; hay, 70 cents a ton; calves, 5 cents a hundredweight; hogs, 60 cents a hundredweight; and fluid milk at wholesale, 5 cents a hundred pounds.

Index of prices paid for commodities used in farm family living and production has risen by one index point a month for the last three months. The rise reached 285 percent of the 1910-14 weighted average in May, 1951, as compared with 257 in May last year. However, in spite of the increases in prices paid by farmers, the ratio of prices received to prices paid (purchasing power index) has held steady at 124 percent of the 1910-14 average, with the exception of a one-point drop in April to 123. This represents the most favorable ratio between prices received and prices paid by farmers for commodities since the period of the first World War, with the exception of the months of January and February in the year 1924 and October, 1946.

FARM INCOME

Cash income from farm marketings in May this year was about 18 percent higher than a year ago, with the index standing at 332 percent of the 1935-39 average.

In dollar values, the cash farm income for the first quarter of 1951 was 6,505 million compared with 5,622 million for the same period last year. Livestock and its products accounted for 4,460 million dollars of this total, and crops provided 2,045 millions. This general

income relationship of livestock to crops would be expected at this time of year because of the seasonal characteristics of the volume of marketings of livestock and crops. However, the cash income from livestock was 29 percent higher than the 3,464 million dollars for the first quarter last year, while crops was 5 percent below the 2,158 million dollars a year ago. This increase in livestock income and decrease in crop income is accounted for, in part, by the fact that the index of prices received by farmers for livestock exceeded last year's levels by 81 points, and crop prices index rose only 62 points. It is further accounted for by the fact that the physical volume of livestock marketings during the first quarter was about the same as last year (with an increase of 7/10 of one percent), and the volume of crops marketed was 17 percent less than last year.

DEMAND

Uncertainty in the world political situation normally increases the uncertainty in appraising business prospects. However, under the United States defense program, the commitments are sufficient to virtually guarantee a high level of business activity during the current year.

Plans for military goods indicate that the current annual rate of expenditures of nearly thirty billions should about double the armaments outlay by this time next year. It is unlikely that virtually unimpeded consumption can continue in the face of this further increase in the production of armaments as it has during the period since the beginning of the Korean conflict. If consumer goods become much scarcer and employment and incomes continue to rise, further inflation must follow unless the increased purchasing power is diverted through such devices as increased taxation or enforced saving, or unless controls are generally applied on consumer goods. It seems unlikely, at the time, of writing, that any of these alternatives to inflation will be so complete and effective as to prevent continued general strength to the prices of farm products.

During the first quarter of this year, total personal income showed a moderate steady rise to 242.5 billion dollars, compared with 219.3 billion a year earlier. Construction contracts awarded give some preview of building activity. The total dollar volume of contracts awarded in the United States in April was only slightly higher than it was during April, 1950. In Oklahoma, it was four percent lower than a year earlier. Residential contracts declined below the 1950 level, but non-residential building was over 15 percent above April, 1950. Further restrictions on building supplies may further limit the strength of this element in supporting demand.

General employment, however, continued upward in May to over sixty-one million employed, which is one and a half million above May last year. Most forecasters see inflation rather than deflation as a continuing problem during the next few months. The Congressional Joint Committee on the Economic Report estimates that a year from now payrolls will be increasing at the annual rate of 23.5 billion dollars.

The demand prospects for farm products still remain good. The Bureau of Agricultural Economics indicates that farmers' net income in 1951 may reach the 1947 record level from which it receded in 1948, 1949, and 1950. The purchasing power of this net income, however, probably will be somewhat less if the prices paid by farmers increase or remain at present levels.—**G. P. Collins.**

Farm Real Estate

Strong inflationary forces in the economy during the last year have resulted in a further increase in the national index of farm real estate values.[1] The March 1951 index of 193 (1912-14=100) is 14 percent above a year earlier and 9 percent above the previous peak reached in November, 1948.

The upward pressure on farm land prices has been strongest in areas where there were prospects of higher farm income in 1951, and later appeared to be the most promising. Increases of 15 to 20 percent have occurred during the past year in the area extending from Ohio westward to South Dakota and Nebraska, and in a number of other states outside this area, notably Florida, Texas, Oklahoma, Wyoming, and Arizona. Maine was the only state to show a decline during the year, and this is attributable largely to the prospects of lower returns from potatoes.

Sales Volume Up Slightly

The volume of voluntary sales during the year ending March, 1951 showed the first upturn in three years. At 39.4 farms per 1,000, the rate for the country as a whole was 6 percent above the previous year but still about one-third below the post-war peak recorded for

[1] *Current Developments in the Farm Real Estate Market*, Bureau of Agricultural Economics, United States Department of Agriculture, March, 1951.

the year ending March, 1947. The number of sales resulting from foreclosures for the year ending March, 1951, was at or near the previous all-time low of a little over 1 farm per 1,000.

Little Change in Financing Arrangements

Farm real estate reporters in a March survey indicate that 60 percent of all farm sales made last year were credit-financed. About three-fourths of these (45 percent of all sales) were financed by mortgages and the balance (15 percent of all sales) by purchase contracts. These proportions are substantially the same as were reported in a similar survey in March, 1950, but the proportion of credit sales for both years was appreciably higher than for the years prior to 1948.

Further Rise in Farm Mortgage Recordings

Although the number of mortgages placed against farm property during the last half of 1950 was only 5 percent larger than during the corresponding period a year earlier, the dollar volume was about one-fourth larger. The average mortgage size has been increasing steadily during recent years, although not as much as sales prices of farm real estate. Mortgages recorded during the last half of 1950 averaged $4,850, compared with an average of $4,100 during the comparable period of 1949.

The most important shifts apparent in the source of mortgage credit, as indicated by mortgage recordings, appear to be further moderate increases in the proportion of the total made by insurance companies and miscellaneous lenders, and a decline in the proportion made by the federal land banks. Individuals and commercial banks continue to initiate the largest volume of mortgage recordings, however, accounting for about 60 percent of the total.—**Robert L. Tontz.**

COTTON

The 1951 American cotton crop is becoming a major factor in domestic and world prices of cotton. While current prices of spot cotton are near the ceiling prices authorized, the prices of October and December futures are about 7 cents less. The estimates of cotton acreage and production that will be issued July 9 and August 8 likely will be followed by significant changes in cotton prices. Trade estimates indicate acreage near the government goal of about 28 million acres.

Domestic consumption totaled 981,000 bales in April, 1951, compared to 711,000 bales in April, 1950. Domestic consumption likely will total nearly 11,000,000 bales for the year August 1, 1950 to July 31, 1951. Demand for cotton textiles is lower than formerly, but probably will be at a high level this fall. Exports will total around 4,000,000 bales for the year ending in July. While domestic and foreign demand for American cotton is likely to continue at a comparatively high level and foreign demand may absorb more American cotton in the next year, prices are likely to decline if the estimate of acreage is much over 28 million acres, or if the estimate of production materially exceeds 16,000,000 bales.

Loan rates will provide a floor under cotton prices but likely at about 6 cents less than present October and December future prices. Loan rates based on present parity prices would be at about 31½ cents per pound in Middling 15/16. Some Texas and California farmers have hedged on present prices by selling on the future markets. Such action may prove to be profitable.

Reports indicate insects may be a serious problem again this season; at least they will need to be observed frequently and treatment applied where needed. Price relations will permit more and better insect control this year than in some other years.

Labor available for harvesting cotton this fall may be slightly more plentiful than it formerly appeared. For example, the rate at which men are being drafted has slowed down. Also, employment in defense work is not expanding as rapidly as anticipated. However, Oklahoma cotton farmers, especially in the western counties and perhaps in the upland prairies of the northeastern section of the

state, will likely find a cotton stripper to be a profitable investment and desirable insurance.

Cotton likely will continue to be in a comparatively favorable position in 1952, and possibly in 1953. It appears that world consumption will be within two million bales of world production in 1951-52, and domestic production probably will not exceed domestic consumption and exports by over one million bales. In view of the low domestic and world carryover, production controls are not likely to be applied in 1952 and may not be applied in 1953.—**John D. Campbell.**

WHEAT

Oklahoma.—Estimated wheat production in Oklahoma remained almost unchanged in the past three months, although growing conditions may have appeared to be worse at times.

The federal crop forecast as of April 1 gave an indicated Oklahoma production of 41,880,000 bushels. On May 1, and on June 1, the indicated production was 42,520,000 bushels. This is an indicated yield of 10 bushels per acre as compared with nine bushels for 1950 and an average of 13.7 bushels for the 10 years, 1940-49. Average production during this 10-year period was 73,998,000 bushels.

Although the indicated yield per acre is down from the 10-year average, the total drop of production is not a result of this low yield. The acres harvested this year will be down approximately one-fifth from the average of 5,335,000 acres harvested in the period 1940-49.

United States.—Total wheat supplies this year may be over one billion bushels. Estimated winter wheat production on June 1 was 705,175,000 bushels and the spring wheat crop may be near 309,000,000 bushels (based on intended acres and 5-year average yields). This amount, 1,014,175,000 bushels, plus a carryover of around 390,000,000 bushels, will be more than ample for usual domestic consumption which will approximate 730,000,000 bushels. A total of 674 million bushels would be available for export and carryover the following year.

Price.—Wheat prices declined after the latter part of April. On May 15, for example, the average wheat price received by producers in the United States was $2.11 per bushel, which was 30 cents below parity.

The support price again will be 90 percent of parity price at the beginning of the 1951-52 marketing year. If the parity price on July 1, therefore, is $2.41, the national average support price will be $2.17

per bushel. While this support price will be higher this year than last, there is no allowance to producers for farm or warehouse storage charges.—**Adlowe L. Larson.**

Record livestock numbers on farms continue to keep demand for feed at relatively high levels, in spite of price roll-backs.

A combination of increased livestock numbers, moderate to heavy feeding, and the use of stocks of old corn because of the late corn crop last fall, reduced supplies of corn on April 1 to 83 percent of last year's record two billion bushels. Total feed stocks in all positions, however, were strengthened by larger stocks of oats, barley, and grain sorghums than were on hand April 1, 1950.

Some of the abandoned wheat acreage in the Great Plains area is currently being used for feed crops, presenting a potential source of feed grains for the latter part of this feed year.

Although livestock numbers on farms were greater on January 1, 1951, than on January 1, 1950, farmers apparently did not increase the total quantity of feed concentrates fed during the first half of 1950-51 above the same period last year. The demand for feed concentrates remains as strong as a year ago, although down a little from the high point in late February.

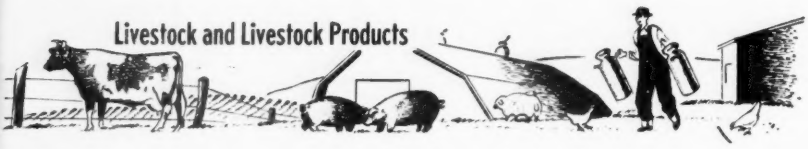
Supplies of by-product feeds appear to be larger than last year, with oilseed cake and meal contributing most to this increase. Even though cottonseed meal and molasses may be available in smaller quantities large quantities of soybean cake and meal, gluten feed, and distillers' dried grains are being processed. Soybean meal is still cheaper than cottonseed meal, as was reported in April, although both were higher on May 15 than on April 15.

There was a 35 percent increase in price from May 15, 1950 to May 15, 1951, for cottonseed meal in Oklahoma; soybean meal increased 10 percent. Hogs have increased 13 percent in price while beef cattle prices averaged 30 percent higher than a year ago in Oklahoma. These figures indicate there may still be a favorable relationship between high-protein feeds and livestock if proper substitutions are available and can be made. The price relationships quoted above are likely to remain in favor of soybean meal through-

out the remainder of this feeding year. High-protein feeds also are lower in price in relation to feed grains than they have been in the past two feeding seasons.

The late, cool spring retarded pasture growth in the south and west from its usual or normal condition as of May 1. The June 1 Livestock and Range report indicates Oklahoma pastures now at 87 percent compared to 77 percent on May 1, 86 percent on June 1, 1950, and 88 percent for the 10-year average for June 1.

Total hay stocks on farms were reported to be 15.6 million tons on May 1, which is greater than for this date a year earlier and slightly larger than the 10-year average for May. Shortages may appear in local areas due to the unpredictable spring and early summer weather conditions, especially in Oklahoma, but the total United States' supply situation appears adequate at the present time.—**Kenneth B. Boggs.**



BEEF CATTLE

World meat production of 72.5 billion pounds during 1950 is estimated to be 5 percent above the 1949 output and 6 percent greater than the 1934-38 pre-war average.[1] This estimate includes the principal livestock countries but excludes the Far East. The additional meat in 1950 was brought about by large increases in pork production and moderate increases in beef. Lamb and mutton output declined.

Largest gains in meat production during 1950 were reported for Europe and the Soviet Union. Output in Argentina, Uruguay, and Australia declined slightly.

Increased numbers of livestock were reported on farm and ranches at the beginning of this year. The outlook, therefore, is favorable for a continued rise in world meat production during 1951.

U. S. Meat Increase Possible

Total U. S. meats in commercial cold storage totaled 899 million pounds on April 1, or 15 percent above the level last year.

[1] *The Livestock and Meat Situation*, Bureau of Agricultural Economics, United States Department of Agriculture, May, 1951.

Production of meat likely will continue larger than last year with pork expected to represent the bulk of the increase. If cattle slaughter shows a moderate increase, the B. A. E. estimates that meat consumption per person may rise 2 to 3 pounds above the 144 pounds in 1950.

Uncertainty Concerning Marketing Developments

Although additional meat supplies may be possible, unsettled conditions in the marketing picture pose a high degree of uncertainty at this time. Legislative developments may be a significant factor affecting marketings. The Defense Production Act of 1950, which contains the authority for price controls, expires June 30.

At the Oklahoma City market, cattle receipts June 8 were 25 percent below receipts for the same period last year (Table I). Calf receipts were 20 percent lower.

Greatest reductions so far this year in receipts for any single month occurred in May, with a decline from the 1950 level of 42 percent for cattle and 37 percent for calves. The first two weeks of June were down 37 percent for cattle and 10 percent for calves. February receipts also were slightly over one-third below the same month last year.

As compared to last year, cattle and calf receipts in May and June at the 12 major U. S. markets did not decline as much as at the Oklahoma City market (Table II). For the week ending May 25, for example, the 12 major markets experienced a 12 percent drop in cattle and a 25 percent decline in calf numbers. During this same week, the Oklahoma City market suffered a 65 and 34 percent decline in cattle and calves, respectively.

Although weekly cattle slaughter varied following the announcement of price controls on April 28, total slaughter for May showed about the usual seasonal gain over April. Prices were slightly above the ceiling late in May.

Price ceilings on retail and wholesale prices of beef were set up by cut, grade, class of store, and geographic zone in the middle of May. Price maximums were placed on live cattle around June 4. Live cattle price ceilings are established by an aggregate total cost each slaughterer is allowed to pay for the cattle killed. As a result, there is no specific schedule of live cattle price ceilings.

Under this ceiling, live cattle prices average about 10 percent less than in April or about the same as in January. The reduction was designed to remove the "squeeze" on packers and distributors, whose

TABLE I.—STOCKYARD RECEIPTS OF SALABLE CATTLE AND CALVES AT OKLAHOMA CITY FOR SELECTED PERIODS OF 1951, WITH COMPARISONS.*

Period	1950		1951		Percent change from 1950	
	cattle	calves	cattle	calves	cattle	calves
	Number				**Percent**	
January	42018	4243	35900	4625	−15	+ 9
February	34737	3608	22750	2350	−35	−35
March	41017	4635	32545	3550	−21	−23
April	27552	3461	24050	2700	−13	−22
Week ending May 4	7560	892	6125	700	−19	−22
Week ending May 11	6160	936	3450	550	−44	−41
Week ending May 18	7279	962	4550	500	−37	−48
Week ending May 25	8444	682	2925	450	−65	−34
May	29444	3472	17050	2200	−42	−37
Week ending June 1	5845	728	4125	425	−29	−42
Week ending June 8	7026	724	3950	875	−44	+21
June, 1st. 2 wks.	12871	1452	8075	1300	−37	−10
Total:	187639	20871	140370	16725	−25	−20

* Compiled from "Weekly Livestock Market Reviews," Vol. XXXIV, January 5, 1951-June 8, 1951, United States Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

TABLE II.—STOCKYARD RECEIPTS OF SALABLE CATTLE AND CALVES AT 12 MARKETS FOR MAY AND FIRST TWO WEEKS OF JUNE, WITH COMPARISONS.*

Week ending	1950		1951		Percent change from 1950	
	cattle	calves	cattle	calves	cattle	calves
	Number				**Percent**	
May 4	183723	27913	182900	29200	− .4	+ 5
May 11	166068	28458	138900	23300	−16	−18
May 18	163155	27521	179600	22700	+10	−18
May 25	167032	28241	147000	21100	−12	−25
June 1	145640	25626	142500	21200	− 2	−17
June 8	167776	28204	122100	23800	−27	−16

* Compiled from "Weekly Livestock Market Reviews," Vol. XXXIV, January 5, 1951-June 8, 1951, United States Department of Agriculture, Production and Marketing Administration, Livestock Branch, Oklahoma City, Oklahoma.

margins declined after the end of January as a result of relatively stationary wholesale and retail prices, and rising cattle prices.

Present plans call for roll-backs in prices of beef and of cattle for August 1 and October 1. The combined reduction at retail is supposed to be 9 cents a pound. Proportionate reductions of live cattle prices are anticipated at levels that prevailed last June.—**Robert L. Tontz.**

DAIRY

United States farmers will receive more money from the sale of dairy products this year as compared to 1950. However, higher production costs will bring them less net money. The cold, late spring reduced spring production and increased feed and labor costs.

Dairy labor costs are reported to be about 13 percent higher this year than last. The labor supply situation is not bright, especially in areas near industrial centers where high industrial wages are attractive to workers.

Prices for dairy products are higher this year than last. Butter and most dairy products are above support prices. Sales of dairy products to the government for price support have been small this year. Only with cheese does demand seem to promise much sales at support levels. Prices paid farmers at this time are below minimum levels at which ceiling prices could be set.

The manufacture of both butter and cheese in Oklahoma has been much below the 5-year average for the first four months of 1951—35 percent lower for butter and 61 percent for cheese. Total milk production in Oklahoma was 3 percent smaller for the first five months of 1951 than 1950. A larger percentage is going for fluid use, which further reduces the amount going to manufacturing plants. For the same period, the United States production of butter was off 5 percent and cheese 3 percent from the 5-year average.

Amendments to the Oklahoma City and Tulsa federal orders went into effect on April 1, 1951. These amendments provided for (1) April, May, and June of this year as months when producers are being paid Class I prices in their base production[1] for the first time, (2) an advance in the differential price of 20 cents per 100 pounds to producers, and (3) setting out rules for establishing bases. In Tulsa, the Market

[1] For this year the base period is the production in December, 1950, and January, 1951. For years to follow it will be September to December, inclusive, of the preceding year.

Administrator[2] gave the following report on payments and usage of milk for April:

> "The base-excess plan for the Tulsa market became effective April 1, 1951. The April 4 percent base price was $5.76, the excess price $3.98. Class I sales for April were 7,512,177 pounds. The delivered base for April was 7,340,539 pounds. Thus, the Class I sales exceeded the delivered base by 171,-638 pounds. The excess price of $3.98 was a result of 171,-638 pounds of Class I sales over base plus 1,377,023 pounds of Class II. The established base pounds for April were 7,-895,589 pounds, or 263,186 pounds per day."

The May minimum price for Tulsa was set at $5.60[3] for Class I milk and $3.50 for Class II. The June price for Class I is $5.52. The price for Class II will be announced later.

Storage stocks of butter on April 30, were 32.3 million pounds—slightly more than the 5-year average for this month. American cheese stocks were 44.7 million pounds on April 30; 5-year average storage for this month was 103.3 million pounds.

Stocks of butter and cheese held by CCC have been materially reduced since late 1950 and are now at a very low seasonal point.

Considerable emphasis is being placed upon the development of a new dairy product from whey by the U. S. Department of Agriculture. This new product is reported to be of excellent taste and compares to cream cheese in food value. From 4 to 5 pounds of this new product are received from 100 pounds of whey. Cheese factories need no extra equipment to manufacture it. It is known as hydrolyzed whey protein.

There will be an excellent demand for most dairy products throughout 1951 as consumer buying power is expected to remain strong. The spread is expected to remain wide between the prices of high and low qualities of manufactured products.—**A. W. Jacob.**

HOGS

Pork production is expected to continue upward for 1951. Commercial production during the first quarter of 1951 was 6 percent above the same period last year. Marketings have remained high during the quarter just completed, reflecting the 9 percent increase in

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[2] W. M. Costello—Market Administrator, Bulletin Volume I, Number 12, April, 1951, 2635 East 11th Street, Tulsa, Oklahoma.

[3] All price quotations are on 4 percent butterfat.

the 1950 fall pig crop. Pork production in May was about 10 percent larger than last year. Slaughter weights this spring and summer are expected to average a few pounds heavier than a year ago.

Although the spring pig crop report had not been issued at the time of writing, it should be around 6 percent larger than in 1950. This estimate is based on the breeding intentions as reported last December.

Hog prices should rise this summer. Seasonal declines in slaughter are underway at present as the marketing of the fall pig crop decreases. Hog prices generally have been below parity during the past 90 days, but should show some improvement soon. Slaughter supplies this summer will include more sows than last year which may have some influence on price. However, with the shortage of beef in prospect, the demand for pork should increase because of the disparity between beef and pork prices. This would act as a price-strengthening force.

Pork prices are still limited by the ceiling order of January 26, which set each dealer's maximum at the highest price he charged during the December 19—January 25 period.[1] This would restrain a strong tendency for an upward movement of prices. No ceilings on prices of live hogs exist at present.

Prospects are in question for the 1951 fall pig crop. On the basis of the hog-corn price relationship, an increase is expected but it probably will be smaller than in the fall of 1950. In every year since 1924, a March-July ratio above 12.0 was followed by an increase in number of sows farrowing the following fall.[2] The United States' ratio was 13.2 on March 15. The ratio for the March-July period probably will average lower than March 15, but favorable enough to encourage a moderate increase in the sows farrowing this fall.[3]

World hog production as estimated by the Office of Foreign Agricultural Relations on January 1, 1951, was a record total of 297 million head.[4] This represents a 6 percent increase over last year and marks the first time since World War II ended that the number exceeds the 1936-40 average. A further increase is expected in 1951. This increase will be dependent upon the availibility of feed and consumer incomes. The latter should remain high in the United States and Canada during this year, resulting in a strong demand for pork. If feed is adequate, further gains can be expected in these two countries and some increase may be made in Europe and Asia.—**Howard S. Whitney.**

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[1] Livestock and Meat Situation, May, 1951, Page 4.
[2] Livestock and Meat Situation, March, 1951, Page 6.
[3] Farmers intentions concerning the number of sows to farrow in the fall will be reported June 21.
[4] Livestock and Meat Situation, April, 1951, Page 14.

POULTRY

Chickens.—Prices paid Oklahoma farmers for chickens have continued upward since last July. Increases since mid-March have been small, however. Continued strong consumer purchasing power and increasing prices for competing meats point to a market of about present levels, perhaps up a little more throughout the summer. The present short supply of beef has been offset—in part—by an increased supply of broilers and farm-produced young chickens. Large price increases do not appear likely in the coming months, due to the large supply of chickens for eating.

Hatchery reports through April indicate a placement of chicks this year 12 percent larger than last, but only one percent above the 1945-59 average for the nation. April placements in Oklahoma were 22 percent above April, 1949 but only 73 percent of the 1945-49 average. Total placemets in Oklahoma, January through April, this year, were almost 5 percent greater than for the same period last year. While many of these chicks were intended for broiler production, many of them also were intended for flock replacement. This condition could be expected with an increase in egg prices.

The feed situation appears to be tightening somewhat through reduced inventories. However, an acute shortage is not in sight. Should a feed shortage develop it would be felt more by poultry producers, who generally depend to a greater extent on commercial sources of feed than do other types of producers.

The April turkey hatch for the nation appears to have been about 6 percent larger than April, 1950. Reports from hatchers earlier in the year indicated about the same increase overr 1950, while turkey eggs in incubators May 1 were about 15 percent above that date last year. This increase stems in part from higher prices realized by turkey producers last fall over a year earlier, and favorable prospects for continued price increases.

Eggs.—With the low seasonal price safely behind, egg producers can look forward with substantial assurance to upward prices to early winter. Storage stocks have not been accumulated this past spring as rapidly as usual. Large chick placements have been reported this spring, but, on April 1, the number of young chickens on farms was reported to have been 7 percent smaller than a year earlier. Thus it seems doubtful if large numbers of pullets will get into production before the end of the year. All this means that a strong egg price can be expected during the remainder of the year.

Satisfactory egg prices encourage increases in hen numbers. It is expected that by the first of 1952 the total number of layers and potential

TABLE III—Egg Prices Received by Oklahoma Farmers, January 1942 to May 15, 1951. (Cents per dozen)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	30.2	24.8	25.0	24.4	25 7	27.0	27.0	27.5	29.4	31.4	33.2	34.7	28.4
1943	35.4	33.3	32.9	32.4	32.9	33.3	32.6	32.6	34.3	37.5	39.0	39.6	34.6
1944	32.4	31.6	29.7	26.0	26.7	27.0	28.0	28.5	29.9	32.6	38.6	41.1	31.0
1945	37.5	31.2	30.7	30.8	30.5	31.1	32.3	33.5	30.0	35.0	44.7	45.5	34.4
1946	37.5	29.4	30.1	29.7	30.0	30.0	32.0	32.0	40.0	44.0	41.0	43.0	34.9
1947	38.1	35.1	36.0	37.5	36.5	36.7	38.3	37.4	43.6	47.8	47.7	57.6	41.0
1948	44.3	39.7	38.3	38.3	35.4	36.4	37.0	38.0	41.7	46.0	52.0	53.0	41.6
1949	43.0	40.5	37.9	38.3	38.4	36.7	36.5	38.4	42.4	46.0	46.1	40.9	40.4
1950	28.4	27.6	27.8	26.3	26.1	25.9	26.4	29.4	32.9	36.5	40.5	59.2	32.2
1951	37.5	36.7	37.1	38.4	39.3								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

TABLE IV—Chicken Prices Received by Oklahoma Farmers, January 1942 to May 15, 1951. (Cents per pound)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	14.8	15.3	15.8	16.1	16 8	16.8	15.9	16.7	17.9	17.8	17.2	17.7	16.6
1943	19.0	19.8	20.7	22.1	22.1	22.6	22.3	21.7	22.0	22.3	22.5	21.9	21.6
1944	21.9	22.2	22.2	21.4	21.5	21.8	21.8	21.4	22.0	21.4	21.4	22.1	21.8
1945	21.8	22.1	22.5	23.2	24.0	24.7	24.9	25.8	22.8	21.8	20.9	21.4	23.0
1946	21.6	21.6	21.7	22.4	23.5	23.4	25.5	23.4	24.0	27.0	21.9	22.4	23.2
1947	22.4	21.2	23.0	23.8	23.5	22.2	22.0	22.0	22.5	23.4	22.1	21.6	22.5
1948	22.2	22.4	23.0	24.0	24.0	26.0	28.2	25.7	27.0	26.4	25.8	28.0	25.9
1949	27.0	27.0	26 2	28.1	24.8	21.6	20.0	20.4	20.6	19.8	19.9	19.7	22.9
1950	17.3	18.2	19.5	19.3	18.4	18.4	18.4	20.8	19.6	19.2	19.5	19.7	19.0
1951	21.0	23.6	25.0	25.5	25.7								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

TABLE V—Poultry Ration Cost Per 100 Pounds, to Oklahoma Farmers, January 1942 to May 15, 1951. (Dollars)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	2.01	2.07	2.13	2.12	2.11	2.11	2.10	2.17	2.16	2.14	2.16	2.20	2.12
1943	2.37	2.39	2.45	2.53	2.60	2.63	2.71	2.77	2.75	2.77	2.82	2.86	2.64
1944	2.91	2.92	2.92	2.95	2.96	2.91	2.88	2.87	2.78	2.71	2.71	2.69	2.85
1945	2.72	2.73	2.76	2.79	2.78	2.80	2.84	2.86	2.85	2.89	2.91	2.94	2.82
1946	2.96	3.02	3.10	3.11	3.35	3.49	3.84	3.81	3.63	3.58	3.63	3.47	3.42
1947	3.39	3.42	3.77	3.85	3.85	3.81	3.94	4.08	4.35	4.42	4.53	4.76	4.01
1948	4.92	4.36	4.47	4.56	4.48	4.34	4.17	3.77	3.51	3.43	3.45	3.53	4.08
1949	3.52	3.41	3.45	3.52	3.45	3.29	3.33	3.32	3.29	3.27	3.25	3.30	3.37
1950	3.29	3.29	3.34	3.45	3.53	3.45	3.53	3.56	3.44	3.34	3.39	3.52	3.43
1951	3.65	3.78	3.76	3.83	3.86								

TABLE VI—Egg-Feed Price Ratios, Oklahoma*
(Pounds of poultry ration equal in value to one dozen eggs)**

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	15.0	12.0	11.7	11.5	12.2	12.8	12.9	12.7	13.6	14.7	15.4	15.8	12.9
1943	14.9	13.9	13.4	12.8	12.7	12.7	12.0	11.8	12.5	13.5	13.8	13.8	13.2
1944	11.1	10.8	10.2	8.8	9.0	9.3	9.7	9.9	10.8	12.0	14.2	15.3	10.9
1945	13.8	11.4	11.1	11.0	11.0	11.1	11.4	11.7	10.5	12.1	15.4	15.5	12.2
1946	12.7	9.7	9.7	9.5	9.0	8.6	8.3	8.4	11.0	12.3	11.3	12.4	10.2
1947	11.2	10.3	9.5	9.7	9.5	9.6	9.7	9.2	10.0	10.8	10.5	12.1	10.2
1948	9.0	9.1	8.6	8.4	7.9	8.4	8.9	10.1	11.9	13.4	15.1	15.0	10.0
1949	12.2	11.9	11.0	10.9	11.1	11.2	11.0	11.6	12.9	14.1	14.2	12.4	12.0
1950	8.6	8.4	8.3	7.6	7.4	7.5	7.5	8.3	9.6	10.9	11.9	16.8	9.4
1951	10.3	9.7	9.9	10.0	10.2								

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

* These ratios are not indicative of and must never be interpreted as "cost of production." They include only cost of feed, and all other costs of production are in addition.

** Poultry feed ration: percentages of specified feeds include commercial mash, 32.7 percent; home mixed mash, 11.2; commercial scratch, 4.0; corn, 14.0; wheat, 16.3; oats, 9.9; barley, 1.3; sorghum grain, 10.6 percent. Individual producers' ration cost may be more or less than the above stated costs as estimated by the Bureau of Agricultural Economics. In case poultry-ration cost and egg prices for producers in any community differ from those shown in Table V and Table III, respectively, the actual ratios can be calculated by dividing actual egg prices per dozen by feed costs.

layers will have increased greatly. Whether their larger production will cause prices to break sharply early next year will depend to a large extent on consumer demand, and the supply and price of competing foods at that time.

Poultry feed prices have continued upward this year and last, but strong egg prices have more than kept pace. Therefore the egg-feed ratio continues somewhat more favorable than during most of the past 18 months but is still below the 10-year average.—**E. A. Tucker.**

SHEEP, LAMBS AND WOOL

Prices of sheep and lambs probably will remain close to current levels during the next few months, unless they are modified by changes in price controls. The strong demand for breeding stocks probably will result in smaller-than-usual supplies of sheep and lambs for slaughter in relation to number on farms. This should have a tempering effect on the seasonal summer decline in price.

This year's lamb crop was about 2 percent larger than in 1950 which reverses the trend for the previous eight years. Even with this increase in the number of lambs produced, marketing has been rather slow due to farmers holding ewe lambs off the market in order to build up their flocks, and adverse early spring weather conditions.

Returns to lamb feeders this past year was greater than at anytime during the past five years. Feeder lambs were higher, as was feed and labor, but the increased income received from slaughter lambs exceeded the increased costs, which resulted in greater profits. Even though the present price is expected to remain close to present levels, profits from lambs are not expected to increase or even remain as high due to increased costs.

Wool.—The steady rise in wool prices at Boston and in foreign markets that began in late 1949 was halted after Easter, and has been in a downward trend up through the month of May. The prices received in 1951 by the producer are expected to continue at a considerably higher level than last year.

The trend in wool prices during the next few months is uncertain. It will depend largely on the extent to which U. S. military ordering for the current fiscal year has been completed.

Because of the slower increase in prices of synthetic materials, the competitive position of wool, relative to that of the synthetic fibers, is expected to be less favorable this year than last. The use of reclaimed wool, synthetics, and other fibers in place of new wool may be increased.—**Ray Billingsley.**

Prices Received by Farmers, Price Indexes, and Indexes of Purchasing Power of Oklahoma Farm Products (1910-1914=100)

	Prices				Price Indexes				Purchasing Power Indexes[1]			
		1951				1951				1951		
	1950 May	March	April	May	1950 May	March	April	May	1950 May	March	April	May
	(Dollars)				(Percent)				(Percent)			
Grain					231	246	250	247	90	87	88	87
Wheat (bu.)	2.05	2.17	2.21	2.16	238	252	257	251	92	89	90	88
Corn (bu.)	1.40	1.54	1.56	1.61	215	237	240	248	83	84	85	87
Oats (bu.)	.88	.98	.98	.98	196	218	218	218	76	77	77	76
Barley (bu.)	1.16	1.33	1.35	1.34	197	226	229	227	76	80	81	80
Rye (bu.)	1.18	1.50	1.60	1.55	137	175	187	180	53	62	66	63
Grain Sorghums (bu.)	1.18	1.21	1.20	1.25	173	178	176	184	67	63	62	65
Cotton and Cottonseed					251	386	380	388	97	136	134	136
Cottonlint (lb.)	.287	417	.410	.420	254	369	363	372	98	130	128	131
Cottonseed (ton)	45.00	105.00	104.00	103.00	230	537	531	526	89	190	187	185
Miscellaneous Crops					184	210	214	210	71	74	75	74
Potatoes, white (bu.)	1.90	1.70	1.60	1.65	171	153	144	149	66	54	51	52
Potatoes, sweet (bu.)	2.50	2.45	2.25	2.20	203	199	183	179	79	70	64	63
Hay, all loose (ton)	16.30	21.60	23.00	22.30	185	245	261	253	72	87	92	89
Total Crops					242	331	329	332	94	117	116	116
Meat Animals					392	495	500	497	152	175	176	174
Cattle (cwt.)	21.50	27.50	28.00	28.00	445	569	580	580	172	201	204	204
Calves (cwt.)	24.30	32.40	32.40	31.90	407	543	543	534	158	192	191	187
Sheep (cwt.)	10.80	19.20	19.00	17.50	232	416	411	378	90	147	145	133
Lambs (cwt.)	25.50	36.20	34.60	32.50	437	621	594	558	169	219	209	196
Hogs (cwt.)	18.10	21.10	20.60	20.00	257	300	293	284	100	106	103	100

Prices and Indexes, Cont'd.

	Prices				Price Indexes				Purchasing Power Indexes[1]			
		1951				1951				1951		
	1950 May	March	April	May	1950 May	March	April	May	1950 May	March	April	May
	(Dollars)				(Percent)				(Percent)			
Dairy Products					223	270	261	263	86	95	92	92
Milk, wholesale (cwt.)	3.65	4.75	4.50	4.45	189	246	233	231	73	87	82	81
Butter (lb.)	.62	.67	.67	.68	277	299	299	304	107	106	105	107
Butterfat (lb.)	.54	.65	.63	.64	231	278	269	273	90	98	95	96
Chickens and Eggs					160	224	231	235	62	79	81	82
Chickens (lb.)	.184	.250	.255	.257	196	266	271	273	76	94	95	96
Eggs (doz.)	.261	.371	.384	.393	147	208	216	221	57	73	76	78
Total livestock and Livestock Products					313	398	400	400	121	141	141	140
All Commodities					263	351	350	352	102	124	123	124

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. and M. College, from data supplied by Bureau of Agricultural Economics, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics, and Current Farm Economics*, Okla. Expt. Sta. Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in living and production.

Price Indexes in the United States and Oklahoma and Indicators of Changes in Domestic Demand

Year and Month	PRICE INDEXES Average 1910-14=100					INDICATORS OF CHANGES IN DOMESTIC DEMAND	
	Index of Prices Received by Farmers		Index of Prices Paid by Farmers United States	All-Commodity Index of Wholesale Prices United States	Oklahoma Hog-Corn Price Ratio[2]	Index of Demand Deposits Oklahoma[3] [4] 1923-25=100	Index of Factory Payrolls[5] 1939=100
	Oklahoma[1]	United States					
1925	164	156	157	151	11.05	106.5	
1926	134	145	155	146	16.44	102.0	
1927	134	139	153	139	14.54	100.5	
1928	151	149	155	141	10.72	100.3	
1929	145	146	153	139	10.65	92.3	
1930	112	126	145	126	11.04	77.4	
1931	71	87	114	107	14.30	60.6	
1932	51	65	98	95	14.59	47.3	
1933	65	70	99	96	7.36	44.9	
1934	90	90	112	109	4.73	53.3	
1935	107	108	117	117	10.35	60.8	
1936	109	114	116	118	9.33	74.6	
1937	111	121	123	126	11.36	82.1	
1938	82	95	116	115	15.64	84.9	
1939	84	93	121	113	11.33	89.4	
1940	92	98	123	114	8.61	92.0	113.6
1941	117	122	130	127	13.77	86.6	164.9
1942	152	157	152	144	14.35	107.4	241.5
1943	172	188	167	150	11.69	162.3	331.1
1944	181	195	176	152	10.56	215.9	343.7
1945	184	202	181	154	11.95	285.3	293.5
1946	226	233	203	177	11.56	335.3	271.1
1947	286	278	246	222	13.34	348.5	326.9
1948	293	287	264	241	12.69	353.3	351.4
1949	257	251	253	226	15.00	347.4	325.2
1950	272	256	261[6]	236	14.25	346.8	371.9
1951 Jan.	334	300	277	263[6]	13.56	283.9	423.7[6]
Feb.	346	313	279	263	14.44	277.6	429.4
Mar.	351	311	283	269	13.70	274.2	....
Apr.	350	309	284	268	13.20	270.5	....
May	352	305	285	266	12.42	....	....

SOURCES: Indexes of Oklahoma prices received by farmers, computed by Dept. Agri. Econ., Okla. Agri. Exp. Sta., Stillwater, Oklahoma. Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, Bur. of Agri. Econ., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta., from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Prices received by Oklahoma farmers for 21 commodities. For data prior to 1925 see Okla. Agri. Exp. Sta. Bul. No. 238.

[2] These figures indicate the number of bushels of corn that could be purchased with 100 pounds of live hogs at current Oklahoma prices received by farmers.

[3] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[4] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr. 1940, p. 41.

[5] Unadjusted for seasonal variation.

[6] Revised.